

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1882 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 8-1-2-48 IS AMENDED TO READ AS
4 FOLLOWS[EFFECTIVE JULY 1, 2001]: Sec. 48. (a) The commission
5 shall inquire into the management of the business of all public utilities,
6 and shall keep itself informed as to the manner and method in which
7 the same is conducted and shall have the right to obtain from any
8 public utility all necessary information to enable the commission to
9 perform its duties. If, in its inquiry into the management of any public
10 utility, the commission finds that the amount paid for the services of its
11 officers, employees, or any of them, is excessive, or that the number of
12 officers or persons employed by such utility is not justified by the
13 actual needs of the utility, or that any other item of expense is being
14 incurred by the utility which is either unnecessary or excessive, the
15 commission shall designate such item or items, and such item or items
16 so designated, or such parts thereof as the commission may deem
17 unnecessary or excessive, shall not be taken into consideration in
18 determining and fixing the rates which such utility is permitted to
19 charge for the service which it renders. **The commission shall**
20 **designate as unnecessary or excessive any:**
21 **(1) bonus; or**
22 **(2) increased salary or compensation;**
23 **paid to a director, officer, or manager of a public utility in**
24 **violation of section 48.5(b) of this chapter.**

(b) For purposes of IC 8-1-2, IC 8-1-8.5, IC 8-1-8.7, and IC 8-1-27, wages paid to an independent contractor of a utility for construction or maintenance performed for the utility shall not be found to be excessive merely because the wages are those normally paid for work of the same type and quality in the labor market in which the work for the utility is being performed.

(c) In carrying out its duties and powers under subsection (a) with regard to any utility which sells or generates electricity, the commission may also inquire into or audit a utility's powerplant efficiency and system reliability.

SECTION 2. IC 8-1-2-48.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 48.5. (a) This section applies to the twelve (12) month period beginning on the date on which a public utility receives a:**

- (1) general increase in its basis rates and charges;**
- (2) fuel cost charge; or**
- (3) gas cost charge;**

under section 42 of this chapter.

(b) A public utility may not do any of the following during the period described in subsection (a):

- (1) Award a pay bonus to a director, officer, or manager of the public utility.**
- (2) Except to provide a cost of living adjustment based on inflation, increase the salary or compensation of a director, officer, or manager of the public utility.**

(c) This subsection applies to a public utility that violates subsection (b). When the public utility is next eligible to seek a:

- (1) general increase in its basis rates and charges;**
- (2) fuel cost charge; or**
- (3) gas cost charge;**

under section 42 of this chapter, the commission shall designate as unnecessary or excessive under section 48 of this chapter any bonus or increased salary or compensation paid in violation of subsection (b) and, in determining and fixing the public utility's rates or fuel or gas cost charges, may not consider such compensation as an expense of the public utility."

Page 2, between lines 5 and 6, begin a new paragraph and insert:

1 "SECTION 5. [EFFECTIVE JULY 1, 2001] **IC 8-1-2-48 (a), as**
2 **amended by this act, and IC 8-1-2-48.5(c), as added by this act,**
3 **apply to a public utility that violates IC 8-1-2-48.5(b), as added by**
4 **this act, after June 30, 2001."**

5 Renumber all SECTIONS consecutively.
 (Reference is to HB 1882 as printed February 6, 2001.)

Representative Pelath